

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

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DATE

August 11, 2010

MOTOR CARRIER MATTER

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DOCKET NO.

2009-326-C

UTILITIES MATTER

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ORDER NO.

SUBJECT:

DOCKET NO. 2009-326-C - State Universal Service Support of Basic Local Service Included in a Bundled Service Offering or Contract Offering – Discuss with the Commission South Carolina Cable Television Association and tw telecom of sc's Petition for Rehearing and Reconsideration.

COMMISSION ACTION:

Move that we deny the Petition for Rehearing and Reconsideration of Order No. 2010-337 submitted by the South Carolina Cable Television Association and tw telecom of South Carolina. That Petition is largely based on a concept that this Commission specifically rejected in Order No. 2010-337, that is, that continuing State USF support for basic local service included in bundles and contracts will expand the State USF to support deregulated services. As numerous witnesses pointed out at the hearing, the State USF was specifically designed by the Commission to fund only basic local exchange service, and that is all it supports, whether that service is offered alone or in a contract or bundle. The definition of services that can be supported by the SC USF was not expanded in Order No. 2010-337. Accordingly, there is no valid issue with the various statutory provisions cited by the Petitioners.

Further, although the Petitioners discuss this Commission's lack of jurisdiction over the pricing of bundles and contract offerings, the bundling statute in S.C. Code Ann. Section 58-9-285 (C) states in part that nothing in this section affects the Commission's jurisdiction over distributions from the USF pursuant to the USF statute, Section 58-9-280(E). Further, Section 58-9-576 (C) (11) states that the General Assembly has not determined or suggested that only stand-alone basic residential lines should be entitled to support from the State USF. Accordingly, we correctly found in Order No. 2010-337 that access lines in bundles and contracts are supportable by the State USF. Lastly, the Petitioners' allegation -- that we committed legal error in finding that failure to provide USF subsidies for bundles and contract offerings would make the SC USF procedures inconsistent with the Federal USF procedures -- is without merit. In Order No. 2010-337, we found simply that making State USF support available for basic local service when it is included in bundles and contracts is consistent with federal law, policy, and procedures.

We further pointed out that the Federal USF does not exclude high-cost funding for basic local service that is included in bundles and contracts. The purpose of quoting the FCC Order was to show that the Federal Communications Commission has refused to carve out or deny federal high cost USF support to carriers offering advanced services using the same facilities. There was no attempt by us to state that Federal high cost support has been offered to an expanded list of services, as stated in the Petition. In conclusion, I move that we deny the Petition, based on the grounds that I stated.

PRESIDING: HowardSESSION: RegularTIME: 2:30 p.m.

MOTION YES NO OTHER

FLEMING

☐☐☐Absent

Annual Leave

HALL

☐☐☐Not Voting

Commissioner Hall was not a member of the Commission at the time of the Hearing.

HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WHITFIELD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Absent

Attending Camp NARUC in Michigan

(SEAL)

RECORDED BY: J. Schmieding

